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## Wave 1 CSRD Reports – Emerging topics

Industry: Technology

### Material topics

Across the technology companies analyzed, there is a broad consensus that impacts, risks, and opportunities (IROs) related to climate change, own workforce, cybersecurity and data privacy are material. However, perspectives diverged when considering other matters like workers in the value chain and consumers and end-users.

- **Biodiversity and Ecosystems (E4)** was not determined to be material among the analyzed companies. Only a few hardware- or data-center-focused companies disclosed evaluating their potential or actual dependencies on biodiversity and ecosystems (for instance, when performing site-specific risk assessments).
- **Circularity (E5)** was reported as material by most of the analyzed technology companies with physical products or large data centers. Based on the disclosures, these companies either adopted standalone policies or incorporated circular-economy objectives into overarching sustainability strategies, then tracked progress through numeric or time-bound targets for e-waste, packaging, or recycling. Technology service providers often concluded E5 is not material to their operations due to minimal resource inflows/outflows.

#### About CSRD Insights Research

Deloitte Global has conducted analysis of a sample of the Wave 1 CSRD reports. A comprehensive report with more insights and observations per industry is coming soon.



Percentage of companies analyzed disclosing material IROs for each ESRS topic. The proportion of material IROs per ESRS topic. Source: Deloitte Global

- Where manufacturing/hardware supply is broad, companies deemed **Workers in the value chain (S2)** material, covering matters like forced or child labor, wages, and worker safety. However, software or intangible-service companies generally concluded that S2 is not material, noting that low physical production and minimal supply-chain footprints can reduce labor-related impacts or risks.
- Beyond data privacy, disclosures related to **Consumers and end-users (S4)** focused on accessibility and inclusivity, which are largely disclosed as positive impacts and opportunities. Designing products for varying user needs can help broaden market reach, foster brand loyalty, and unlock new revenue potential.

#### About Industry series

For the Technology Industry Card CSRD Report, 15 companies were analyzed. Findings in this document are non-exhaustive in nature and are intended for information-only purposes.

### Emerging topics

While the 15 technology companies analyzed identified cybersecurity and data privacy risks, their approaches to disclosing and integrating these matters under CSRD reporting varied.

12 companies identified material IROs relating to cybersecurity and data privacy—either within European Sustainability Reporting Standards (ESRS) topical standards (mainly S4 and G1) or as entity-specific topics. Meanwhile, the remaining three companies, predominantly hardware manufacturers, addressed these risks in other sections of their annual reports (such as the Risk Management section).

#### Cybersecurity and data privacy

- **High-risk and trust-building:** Companies viewed cybersecurity and data privacy as high-risk areas (breaches, fines, reputational harm) yet also see them as opportunities for helping to secure and enhance customer trust.
- **Focus on training and certifications:** Employee training completion rates (often >95%) are a common metric, with International Organization for Standardization (ISO) 27001 certification and similar information security programs frequently cited. Deloitte Global's research noted limited disclosure of sensitive operational metrics related to cyberthreat intelligence initiatives and operations, as well as phishing awareness campaigns, as these are considered confidential.
- **Mature governance:** Disclosures demonstrated mature governance through transparent policy frameworks, third-party risk management, and annual audits. Large technology companies are integrating privacy and security with broader compliance and business resilience efforts.

#### Responsible use of artificial intelligence (AI)

- **Growing risk and ethical considerations:** AI is recognized as a growing challenge involving algorithmic bias, privacy overlap, potential regulatory non-compliance, and sustainability impacts due to energy-intensive computing.
- **Opportunity and brand differentiation:** Some companies positioned "responsible AI" as a competitive advantage, attracting customers who seek ethical technological solutions.
- **Early-stage targets, qualitative disclosures:** Unlike cybersecurity and privacy, AI-related metrics and targets still appeared limited. A few companies disclosed metrics, such as the percentage of AI use cases classified as high-risk and the percentage of employees who completed AI ethics training.

#### Key assumptions and limitations

<sup>1</sup>ES = entity-specific, including entity-specific topics and sub-topics.

This analysis was limited solely to whether the selected reporting companies made certain disclosures, not whether such disclosures complied with ESRS or any other applicable reporting requirement. Deloitte Global expresses no view on the accuracy, completeness, or materiality of any disclosures analyzed.

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